

Montgomery County Coalition for the Homeless, Inc. (MCCH)
Testimony on the County Government's
FY 22 Operating Budget and Amendments to the Capital Budget

Submitted by MCCH CEO Susie Sinclair-Smith

Good Evening Council President Hucker and members of the Montgomery County Council. Thank you for the opportunity to testify tonight on behalf of the Montgomery County Coalition for the Homeless (MCCH), Inc. MCCH is the largest non-profit exclusively dedicated to ending homelessness in the County and helps over 1700 men, women and children each year in our emergency shelter and permanent housing programs. With our deep experience gained through operating homeless assistance programs for over 30 years, we respectfully offer the recommendations below on the County Government's FY 22 Operating Budget and Amendments to the Capital Budget.

1. Adjust County core homeless services emergency shelter contracts for FY 22 to enable paying front-line workers, all of whom are African American (90%) and Latinx (10%), equitably at the same \$15 hourly wage required of other employers.

Current County contracts provide for salaries below this minimum wage since they are structured based on the assumption that nonprofit employees will not need to be paid \$15/hour until July 2023. When hazard pay disappears in FY22, we believe we will lose skilled staff to retail and food industries resulting in a less qualified applicant pool without the experience of addressing the complex needs of our population, many of whom have disabilities and are extremely vulnerable. Currently at \$14/hour, an additional \$124,000 based on FY21 salaries would bring these MCCH staff to \$15/hour. This expense should not be taken from new FY22 program funding to expand services.

2. Maintain the Government's recommended 1.5% increase for nonprofit DHHS contracts and add an additional 1.5% increase totally 3% to cover inflationary increases in nonprofits indirect operating costs. This will ensure that MCCH can sustain our core county services and equity support our diverse workforce 81% of whom are: African American (66%) and Latinx/AAPI/Mixed Race (15%).

According to the Consumer Price Index, 3% is the minimum needed to keep up with inflationary costs of doing business. In FY 21, there were no inflationary increase to nonprofit contracts leaving us behind the ball as we begin FY 22. Thus far in FY22, costs for MCCH's health insurance will increase by 2%, our workers compensation premium is increasing by \$47,000 due to hazard pay, and our contract for IT services is set to increase by at least by 5%.

MCCH has expanded its shelter services in FY 21 and will in FY 22 to enable new County and federal COVID relief resources to reach our population, including those newly experiencing homelessness due to the pandemic. This placed a burden on our Human Resources capacity in FY 21 resulting in a \$27,000 deficit thus far for recruitment and on-boarding that were not anticipated to be covered by our indirect rate in our contracts.

3. Ensure that funds from the Government's increase for Rapid Re-Housing from \$582,889 in FY21 to \$1,087,179 in FY22 are targeted for formerly households that can benefit from the short-term and shallow rental-assistance and minimal services provided by the program, and not as a first step housing program for homeless households with vulnerabilities who need deeper rental assistance and support services to maintain their housing.

4. To prevent design pitfalls that have occurred at Progress Place and other County facilities, require that private expertise in designing congregate emergency shelters is brought to the table in planning the new location for the men's shelter as part of the \$956,000 in G.O. Bonds in the Supplemental Appropriation of \$13,647,000 to the FY21 Capital Budget.

Please contact Susie Sinclair-Smith (susie@mcch.net/240-370-9213) for further information.